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7 Attorneys for Defendant
Ronald J. Haas
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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

11 PROBUILDERS SPECIALTY CASE NO.: CV10-05533-EJD
12 INSURANCE COMPANY, RRG, a District } STIPULATION AND [PROPOSED]
13 of Columbia, Risk Retention Group, } ORDER FOR LEAVE TO FILE THIRD
14 Plaintiff, PARTY COMPLAINT
15 vs. }
16 VALLEY CORP., B., a California }
17 Corporation formerly known as R.J. HAAS }
18 CORP.; RONALD J. HAAS, an individual; }
19 TY LEVINE, an individual; and KAREN }
LEVINE, an individual, }
20 Defendants. }
21 AND RELATED COUNTERCLAIMS }

STIPULATION

22 Plaintiff ProBuilders Specialty Insurance Company ("ProBuilders"), and defendants
23 Ronald J. Haas ("Haas"), Ty Levine and Karen Levine (collectively the "Levines") stipulate as
24 follows:

25 WHEREAS, in the course of investigating this matter counsel for Haas has identified
26 what he believes are reasonable grounds for claims in this matter against a third party defendant,
27 Certain Underwriters at Lloyds of London (hereinafter "Lloyds").
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1 WHEREAS, these claims against Lloyds seek damages for breach of the duty to defend
2 and indemnify Haas in *Levine v. R.J. Haas Corp.*, Santa Clara County Superior Court Case No.
3 07-CV081016. These claims are substantially similar to the claims Haas has asserted against
4 ProBuilders, and by these claims Haas will seek substantially the same damages from Lloyds
5 that Haas seeks from ProBuilders.

6 WHEREAS, it is in the interest of the Court and Haas to litigate the claims more
7 efficiently in this action, in which Haas is asserting substantially similar claims against
8 ProBuilders.

9 WHEREAS, an Order that ProBuilders and Lloyds breached duties to Haas may create
10 claims between ProBuilders and Lloyds for equitable contribution, which could also be most
11 efficiently litigated in one action.

12 WHEREAS, a Third Party Complaint filed against Lloyds will require some additional
13 time for Lloyds to respond to the complaint and conduct discovery.

14 THEREFORE, ProBuilders, Haas and the Levines stipulate that Haas has leave to file the
15 Third Party Complaint attached as Exhibit A to this Stipulation and [Proposed] Order within 5
16 days of filing of the Order of the Court.

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Lally LLP

1 ProBuilders, Haas, the Levines further stipulate that the deadlines for discovery, expert
2 witness discovery, motions and the Pretrial Conference shall be continued as follows:

3 Expert Disclosure March 12, 2012
4 Rebuttal Expert Disclosure March 26, 2012
5 Last Day for Hearing on April 30, 2012
6 Objection to Expert Disclosure
7 Close of discovery April 20, 2012
8 Pretrial Conference As scheduled by the Court
9 Last day to file Joint
10 Pretrial Conference Statement As scheduled by the Court

11 Dated: September 8, 2011

12 GREENAN, PEFFER, SALLANDER & LALLY LLP

13 By: Chip Cox

14 Chip Cox
15 Counsel for Defendant and Counterclaimant
16 Ronald J. Haas

17 Dated: September 8, 2011

18 YARON & ASSOCIATES

19 By: James I. Silverstein

20 James I. Silverstein
21 Counsel for Plaintiff and Counterclaim
22 defendant ProBuilders Specialty
23 Insurance Company

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Lally LLP

1 Dated: September 9, 2011

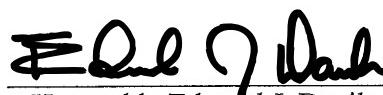
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10 HINES SMITH CARDER DINCEL

11 By: 

12 Kim Dincel
13 Counsel for Defendant and Counterclaimant Ty
14 Levine and Karen Levine

15 PURSUANT TO STIPULATION IT IS SO ORDERED

16 Dated: September 14, 2011

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18 Honorable Edward J. Davila
19 United States District Judge

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Exhibit 'A'

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Attorneys for Defendant
Ronald J. Haas

11 PROBUILDERS SPECIALTY)
12 INSURANCE COMPANY, RRG, a District)
13 of Columbia, Risk Retention Group,)
14 Plaintiff,)
15 vs.)
16 VALLEY CORP., B., a California)
17 Corporation formerly known as R.J. HAAS)
18 CORP.; RONALD J. HAAS, an individual;)
19 TY LEVINE, an individual; and KAREN)
20 LEVINE, an individual,)
21 Defendants.)
22 RONALD J. HAAS, an individual,)
23 Third Party Plaintiff)
24 v.)
25 CERTAIN UNDERWRITERS AT LLOYDS)
OF LONDON, an underwriting syndicate,)
Third Party Defendant)
AND RELATED COUNTERCLAIMS)

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Defendant, Counterclaimant and Third Party Plaintiff Ronald J. Haas alleges as follows:

PARTIES

1. Defendant, Counterclaimant and Third Party Plaintiff Ronald J. Haas (“Haas”) is an individual residing in the State of California.

2. Third Party defendant Certain Underwriters at Lloyds of London are identified as Syndicate 2020 in Lloyds Policy No. WUG-000393-2 (hereinafter "Lloyds"). Haas is informed and believes and on that basis alleges that Lloyds is an underwriting syndicate composed of specific, identified individuals who have agreed to and are bound by any decisions against Syndicate 2020 regarding coverage under the Lloyds Policy issued to R.J. Haas Corporation.

JURISDICTION

3. This Court has Supplemental Jurisdiction over this matter under 28 U.S.C. § 1337 (b).

FACTS

4. Certain Underwriters at Lloyds of London identified as Syndicate 2020 issued Policy No. WUG-000393-2 to R.J. Haas Corp. effective August 29, 2005 to August 29, 2006 (hereinafter the “Lloyds Policy”).

5. At all times relevant to this Third Party Complaint Ronald J. Haas was the President and owner of R.J. Haas Corp., and an insured under the Lloyds Policy.

6. The Lloyds Policy provided coverage to R.J. Haas Corp. and Ron Haas for bodily injury or property damage, during the policy period, caused by an occurrence.

7. The Lloyds Policy also obligated Lloyds to defend Ron Haas against any suit seeking damages to which the Lloyds Policy applied.

8. A construction defect lawsuit case captioned *Levine v. R.J. Haas Corp.*, Santa Clara County Superior Court, Case No. 07-CV081016, regarding the construction of a single-family residence in Saratoga, California was brought against R.J. Has Corp. and Ron Haas. *Levine* alleged construction defects and property damage to the home arising out of work done by R.J. Haas Corp., and asserted R.J. Haas Corp. and Ron Haas were liable for those damages.

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9. Ron Haas and R.J. Haas Corp. timely tendered *Levine* to Lloyds for a defense and indemnity under the Lloyds Policy.

10. Lloyds initially defended Haas under the Lloyds Policy, but subsequently withdrew its defense.

11. Lloyds thereafter refused to fund or participate in several reasonable settlement demands in *Levine*, relying on purported coverage defenses under the Lloyds Policy.

12. Haas ultimately suffered a judgment in *Levine*.

WHEREFORE, defendant, counterclaimant and Third Party Complainant Ronald J. Haas
prays for judgment against Lloyds as set forth below.

FIRST CLAIM FOR RELIEF

(Breach of Contract/Duty to Defend Against Lloyds)

13. Haas incorporates by reference paragraphs 1 through 12 of this Third Party Complaint as though fully set forth in this first claim for relief.

14. Under the terms and conditions of the Lloyds Policy, Lloyds was obligated to defend Haas for damages covered under the Lloyds Policy.

15. Haas has performed all conditions, covenants and promises required of him under the Lloyds Policy.

16. Lloyds breached the terms and conditions of the Lloyds Policy when it withdrew its defense of Haas in *Levine*.

17. Haas was damaged in an amount to be proven at trial because of Lloyds breach of its duty to defend *Levine*.

WHEREFORE, defendant, counterclaimant and Third Party Complainant Ron Haas
prays for judgment against Lloyds as set forth below.

SECOND CLAIM FOR RELIEF

(Breach of Contract/Duty to Indemnify Against Lloyds)

18. Haas incorporates by reference paragraphs 1 through 17 of this Third Party Complaint as though fully set forth in this second claim for relief.

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19. Under the terms and conditions of the Lloyds Policy, Lloyds was obligated to indemnify Haas for the judgment filed against him in *Levine*.

20. Haas has performed all conditions, covenants and promises required of him under the Lloyds Policy.

21. Lloyds breached the terms and conditions of the Lloyds Policy when it refused to indemnify Haas for the judgment filed against him in *Levine*.

22. Haas was damaged in an amount to be proven at trial because of Lloyds' breach of its duty to indemnify Haas for the judgment filed against him in *Levine*.

WHEREFORE, defendant and counterclaimant Ron Haas prays for judgment against Lloyds as set forth below.

THIRD CLAIM FOR RELIEF

(Bad Faith Against Lloyds)

23. Haas incorporates by reference paragraphs 1 through 22 of this Third Party Complaint as though fully set forth in this third claim for relief.

24. Lloyds had a duty of good faith and fair dealing to protect Haas' right to obtain the benefits of coverage under the Lloyds Policy.

25. Lloyds breached its duty of good faith and fair dealing by unreasonably withdrawing from the defense of *Levine*.

26. Lloyds further breached its duty of good faith and fair dealing by refusing to fund or participate in several reasonable settlement demands in *Levine*, relying on purported coverage defenses under the Lloyds Policy.

27. Haas was damaged in an amount to be proven at trial because of Lloyds breach of its duty of good faith and fair dealing.

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Sallander &

1 WHEREFORE, defendant and counterclaimant Ron Haas prays for judgment against
2 Lloyds as follows:

- 3 1. For compensatory damages in an amount to be proven at trial;
4 2. For costs of suit incurred herein; and
5 3. For such other and further relief as the Court may deem just and proper.

6 Dated: September __, 2011

7 **GREENAN, PEFFER, SALLANDER & LALLY LLP**

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9 By: _____
10 Chip Cox
11 Attorneys for RON HAAS
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